IN THE CLAIMS

Claims 1-71 (Canceled)

72. (Currently amended) A drug delivery system comprising:

a) a continuous hydrophobic gelled non-polymeric matrix, wherein the hydrophobic matrix is formed by gelling action of an ~~a water-insoluble surfactant or~~ emulsifier dissolved in an oily phase;

b) a discontinuous phase comprising a polymer dissolved in a water soluble organic solvent ~~essentially immiscible with the continuous phase~~ and

c) a therapeutic agent ~~dissolved, emulsified or~~ dispersed within the discontinuous phase, comprising non-preformed ~~microdroplets,~~ microparticles ~~or a combination thereof~~.

73. (Previously presented) The drug delivery system of claim 72, wherein the microparticles are formed in-situ, when the discontinuous phase comes in contact with any aqueous medium.

74. (Previously presented)The drug delivery system of claim 72, wherein the discontinuous phase, comprises a biodegradable polymer.

75. (Previously presented)The drug delivery system of claim 74, wherein the biodegradable polymer is selected from the group consisting of polylactides, polyglycolides, polylactics, polylactic acid-co-glycolic acid, polylactide-co-glycolides, polyesteramides, star-branched polymers, polyphosphoesters, albumin, fibrin, fibrinogen combinations, polycaprolactones, polydioxanones, polycarbonates, polyhydroxybutyrates, polyalkylene oxalates, polyanhydrides, polyamides, polyurethanes, polyacetals, polyketals, polyorthocarbonates, polyphosphazenes, polyhydroxyvalerates, polyalkylene succinates, poly(malic acid), poly(amino acids), chitin, chitosan, polyorthoesters, gelatin, collagen, polyethylene glycols, polyethylene oxides, polypropylene oxides, polyethers, betacyclodextrin, polysaccharides, polyvinyl alcohol, polyvinyl pyrrolidone,

polyvinyl-alcohol, polyoxyethylene-polypropylene block copolymers; and copolymers, terpolymers and combinations or mixtures thereof.

76. (Previously presented)The drug delivery system of claim 72, wherein the discontinuous phase comprises a solvent selected from a polymer that is selected from the group consisting of N-methyl-2-pyrrolidone, N,N'-dimethylacetamide, water, 2-pyrrolidone, sorbitol, dimethyl sulfoxide, dimethylformamide, glycofural, glycerolformal, propylene glycol, polyethylene glycol, glycerol, caprolactam, decylmethyl sulfoxide, ethanol, dialkylamides, combinations and mixtures thereof.

77. (Previously presented)The drug delivery system of claim 72, wherein said non-polymeric hydrophobic gel matrix is prepared by the dissolution of the hydrophobic surfactant or emulsifier in the oily phase selected from the group consisting of animal oils, isopropyl myristate and vegetable oils or their fractionated counterparts or their salts with other acids.

78. (Previously presented)The drug delivery system of claim 77, wherein said animal oil is selected from the group consisting of whale oil, shark liver oil and a mixture thereof.

79. (Previously presented)The drug delivery system of claim 77, wherein said vegetable oil is selected from the group consisting of sesame seed oil, cottonseed oil, poppy seed oil, castor oil, coconut oil, canola oil, sun flower seed oil, peanut oil, corn oil, soyabean oil, capric-caprylic triglycerides and mixtures thereof.

80. (Previously presented)The drug delivery system of claim 72, wherein said continuous hydrophobic gelled non-polymeric matrix comprises sorbitan esters or a mixture thereof.

81. (Previously presented)The drug delivery system of claim 80, wherein said continuous hydrophobic gelled non-polymeric matrix comprises sorbitan monostearate, sorbitan monopalmitate or mixtures thereof.

82. (Previously presented)The drug delivery system of claim 72, further comprising a biologically active agent selected from the group consisting of peptide drugs, protein drugs, desensitizing agents, antigens, vaccines, anti-infectives, antibiotics, antimicrobials, antineoplastics, antitumor, antiallergenics, steroidal anti-inflammatory agents, analgesics, decongestants, miotics, anticholinergics, sympathomimetics, sedatives, hypnotics, antipsychotics, psychic energizers, tranquilizers, androgenic steroids, estrogens, progestational agents, humoral agents, prostaglandins, analgesics, antispasmodics, antimalarials, antihistamines, cardioactive agents, non-steroidal anti-inflammatory agents, antiparkinsonian agents, antihypertensive agents, beta-adrenergic blocking agents, nutritional agents, antivirals, DNA fragments, nucleic acids, RNA fragments, oligonucleotides, radioisotopes, or combinations of these classes of compounds or other forms such as uncharged molecules, molecular complexes, salts, ethers, esters, amides, and other chemically modified forms of the biologically active agent which are biologically activated when injected into a body.

83. (Previously presented)The drug delivery system of claim 72, further comprising a biologically active agent selected from the group consisting of leuprolide acetate, goserelin acetate, octreotide acetate, paclitaxel, chlorpheniramine maleate, trimethoprim, sulfamethoxazole, lactic acid, pseudoephedrine hydrochloride, olanzapine, captopril, lidocaine hydrochloride, felodipine, indomethacin, povidone iodine and terbutaline sulfate.

84. (Previously presented)The drug delivery system of claim 73 wherein the term in-situ, represents an aqueous fluid in a site within or in or on a body.

85. (Previously presented)The drug delivery system of claim 76, wherein the concentration of the polymer in said organic solvent in the polymer phase is between 1-90%w/w.

86. (Previously presented)The drug delivery system of claim 80 wherein the

concentration of said surfactant or emulsifier with respect to the polymer and organic solvent is between 5 and 50%w/w.

87. (Previously presented)The drug delivery system of claim 72, wherein the microparticles formed in-situ, have a shape which is spherical, oblong, elliptical or irregular.

88. (Previously presented)The drug delivery system of claim 87, wherein the size of the microparticles is between 1 to 400μm.

89. (Previously presented)The drug delivery system of claim 87, wherein the size of the microparticles is between 5 to 150μm.

90. (Previously presented)The drug delivery system of claim 88, wherein greater than 40-60% of the microparticles have a size of less than 100μm.

91. (Previously presented)A method for treating a health disorder, disease or medical condition comprising administering a drug delivery system of claim 82 to a patient in need thereof wherein the health disorder, disease or medical condition can be treated by the biologically active agent of claim 82.

92. (Previously presented) A method for treating a health disorder, disease or medical condition comprising administering a drug delivery system of claim 83 to a patient in need thereof wherein the health disorder, disease or medical condition can be treated by the biologically active agent of claim 83.

93. (Previously presented)A drug delivery system of claim 72, further comprising a biologically active agent, a biologically inactive agent or both.

94. (Currently amended) A method for prophylaxis of a health disorder, disease or medical condition comprising administering a drug delivery system according to

claim 72 ~~composition of claim 82~~ to a patient in need there of, wherein the health disorder, disease or medical condition can be prevented by ~~the~~ a biologically active agent selected from the group consisting of vaccines, antiinfectives, antibotics, antimicrobials, anti-allergenics, steroidal anti-inflammatory agents, and non-steroidal anti-inflammatory agents ~~of claim 82~~.

95. (Cancel)

96. (Previously presented)A drug delivery system of claim 72 wherein the primary mechanism of release of the therapeutic agent is by formation of polymeric microparticles and degradation of the polymer.

97. (Previously presented)A drug delivery system of claim 72 wherein the secondary mechanism of release of the therapeutic agent is by its dissolution into the oily continuous phase and then by further partitioning into the aqueous medium.